

## MERS RFP Questions

1. Why are proposals for actuarial services being requested at this time?

**The existing contract for actuarial services is expiring effective June 30, 2023.**

2. When was the last time the actuarial services were put out for bid?

**2018**

3. How long has the current/incumbent actuary(s) been providing services?

**The current actuarial firm has been providing actuarial services for the Connecticut State Employees Retirement Commission from July 1, 2013 to present.**

4. Are there any service concerns with the incumbent actuary?

**No. The current actuarial firm has fulfilled its obligations under the existing contract.**

5. Is the incumbent actuary permitted to bid on this RFP?

**Yes. The incumbent is eligible to submit a proposal.**

6. In what format; e.g., Excel, Access or other, is member data submitted to the actuary?

**Excel.**

7. Can you please provide a copy of the most recent experience investigation report for the five-year period ending June 30, 2020 for all three systems?

**Given the short turnaround time to respond to questions from potential vendors, this process is limited to answering questions about the RFP itself or the RFP process. For additional information related to actuarial reports please go to the following webpage: <http://www.osc.ct.gov/rbsd/reports/index.html>.**

8. Can you please confirm if you are requesting three separate actuarial report (for funding, GASB 67 and GASB 68 purposes) for each of the two systems (CMERS and P&FSBF)?

**Yes. We are requesting three separate actuarial reports for both of the three systems.**

9. Can you please provide the annual actuarial fees paid to the current actuary for the last three years for services comparable to those included in the RFP for each of the two systems?

- **CMERS FYE 2020 \$82,346; FYE 2021 \$46,535; FYE 2022 \$58,965**
- **P&FSBF FYE 2020 \$8,000; FYE 2021 \$5,000; FYE 2022 \$11,000**

10. Can you please provide the hourly rates being charged by your current actuary for non-fixed fee special projects for the last three years?

**Consulting or Senior Actuary = \$320-\$396/hr**  
**Managing Director = \$300-\$360/hr**  
**Senior Consultant = \$276-\$320/hr**  
**Actuary = \$276-\$320/hr**  
**Consultant = \$240-\$276/hr**  
**Senior Actuarial Analyst = \$240-\$276/hr**  
**Actuarial Analyst = \$180-240/hr**  
**Other = \$116/hr**

11. Can you please provide the fee for the most recent experience investigation study for the five-year period ending June 30, 2020 for each of the two systems?

**The experience study is for FYE 2022 at a cost of \$35,000 for CMERS and \$10,000 for P&FSBF.**

12. Section A. 3. of the RFP indicates “Attendance at up to eight meetings per year with the Commission.....” Are these meetings in person or virtual?

**All meetings from April 2020 to present have been virtual. While we reserve the right to request in person attendance if necessary or preferred, we anticipate that virtual attendance will remain an option throughout the term of this contract.**

13. What are the most significant financial, administrative or other challenges facing the Comptroller and/or the Connecticut State Employees Retirement Commission with regard to managing the two systems?

**The most prominent challenges in managing the CMERS system relate to the recent implementation of technical upgrades in the reporting of employer information and the challenges of incorporating the participating municipalities into our new system.**

**In recent years, however, various plan losses and changes to actuarial assumptions have resulted in steep increases in employer contributions. We expect that over the course of this next contract we will need to assess and model various potential plan changes to address this trend.**

14. Proposal Submission Requirements Section B. Sealed Proposals on Page 5 of the RFP states “Any proposer that submits information that includes confidential information that the Proposer identifies is exempt under the Connecticut Freedom of Information (“FOI”) Act pursuant to Chapter 14 of the Connecticut General Statutes must also provide one copy of its RFP response from which all such data and information has been redacted and

identifies the applicable FOI exemptions and which may be disclosed without objection if the State receives a Freedom of Information Act (“FOIA”) request for its proposal.” It is unclear to us if (1) fixed fees and (2) hourly rates are exempt from disclosure in accordance with Section 1.210. Exempt Records, (b) (5) (a) Trade Secrets of the Connecticut Freedom of Information Act and therefore may be redacted in our proposal. Can you confirm if we redact fixed fees and hourly rates, that our proposal will not be returned for noncompliance with the terms of the RFP?

**The assertion of exemptions under the FOI Act are up to the proposer. Should the OSC receive an FOI request for the proposal, it will release the version of the proposal that it has on file, starting with the redacted version, and if no redacted version is on file, the version that is on file. Should an FOI requestor file an FOI complaint and is adjudicated by the FOI Commission, the proposer has the burden of showing why the exemptions apply.**

15. Pages 3-4 of the RFP lists the selection criteria. Please provide a weighting percentage assigned to each of the criteria, if available.

EVALUATION CRITERIA		WEIGHTING FACTOR
<b>No. 1</b>	Previous work experience on similar projects. Proposers will be evaluated on their past performance to include, but not limited to, failure to meet specifications, poor quality and late delivery.	<b>15</b>
<b>No. 2</b>	Proposer’s understanding of the project’s purpose and scope, as evidenced by the proposed approach and level of effort.	<b>15</b>
<b>No. 3</b>	Proposed cost.	<b>10</b>
<b>No. 4</b>	Availability and competence of Proposer’s personnel.	<b>10</b>
<b>No. 5</b>	Conformity with specifications contained herein.	<b>10</b>
<b>No. 6</b>	Proposer’s ability to keep the Commission informed of significant changes in the laws and regulations governing public pension plan administration.	<b>5</b>
<b>No. 7</b>	Demonstration of Proposer’s commitment to affirmative action by full compliance with the regulations of the Commission on Human Rights and Opportunities.	<b>10</b>
<b>No. 8</b>	Possible and previous conflicts of interest (within the last ten years).	<b>10</b>
<b>No. 9</b>	Past (within the last ten years) and pending litigation involving the Proposer and pension plans or retirement systems.	<b>10</b>
<b>No. 10</b>	At the option of the Actuarial Subcommittee, Proposer’s oral interview.	<b>5</b>

16. Are there any service concerns and/or limitations with the current Actuary?

**No. The current actuarial firm has fulfilled its obligations under the existing contract.**

17. What were the total fees paid by the Comptroller's office for these services in the last three years? What were the total fees paid by the Pension fund for these services in the last three years?

**See total actuarial fees paid in question 9. None of these fees were paid from the Pension Fund.**

18. What were the total fees for the CMERS annual valuation over the last 3 years? Were any of these fees paid by the pension fund? If so, how much?

**No fees were paid from the pension fund. FYE 2020 \$47,500; FYE 2021 \$35,000; FYE 2022 \$47,500**

19. What were the total fees for the P&FSBF annual valuation over the last 3 years? Were any of these fees paid by the pension fund? If so, how much?

**No fees were paid from the pension fund. FYE 2020 \$8,000; FYE 2021 \$5,000; FYE 2022 \$11,000**

20. What were the total fees for GASB 67/68 accounting disclosures over the last 3 years? Please provide breakdown by plan.

**Actuarial payments totaled \$19,035. Accounting fees totaled \$112,000. This is cumulative of both plans.**

21. What special projects or out of scope services has been billed over the last two years?

**Impact studies on specific towns, corrective calculations on towns, actuarial assumption changes impacts, additional support for auditors.**

22. Our firm prefers to contract for actuarial services with a limit on liability for ordinary mistakes. However, we accept unlimited liability for: (i) willful, fraudulent or criminal misconduct, (ii) breach of the confidentiality provisions; and (iii) bodily injury, including death, or damage to tangible personal or real property incurred while performing the Services and to the extent caused by the negligent or willful acts or omissions of our personnel. Please confirm that the State is willing to negotiate a prudent amount of potential payment that is acceptable to both parties, with exceptions noted.

**While proposers are expected to accept the state's standard contract provisions and must comply with all related state and federal laws, all contract provision modification proposals by the selected proposer will be reviewed by the OSC and must be approved by the Office of the Attorney General.**